

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: **W. R. Grace & Co., et al**  
Debtor

**Case No. 01-01139** Jointly Administered  
**Reporting Period: October 2008**

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)			See attached Attestation Form
Copies of bank statements			See attached Attestation Form
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Individual\*

\_\_\_\_\_  
Date

Hudson La Force III

Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer

Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**October 31, 2008**

**Table of Contents**

**Chart #**

**Form MOR**

**Monthly Operating Report**

Schedule of Cash Receipts and Disbursements .....	1	MOR-1
Bank Reconciliations .....	2	See attached
Combining Statement of Operations - Filing Entities Only .....	3	Attestation Form
Combining Balance Sheet - Filing Entities Only .....	4	MOR-2
Status of Postpetition Taxes .....	5	MOR-3
Accounts Receivable Reconciliation and Aging .....	6	MOR-4
Debtor Questionnaire .....	7	MOR-5

**Combined Chapter 11 Filing Entity Statements**

Combined Statements of Operations.....	8
Combined Functional Basis Statements of Cash Flows .....	9
Combined Balance Sheets.....	10
Filing Entity Supplemental Financial Information .....	11

**Bank Statements**

See attached  
Attestation Form

**Federal Income Tax Returns**

none

**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	JP Morgan Chase Disbursement 9101013572	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Bank of America Lockbox 8188703107	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257
CASH BEGINNING OF MONTH	\$ 71,474	\$ 355,488	\$ -	\$ 57,707,912	\$ 6,391	\$ 863,990	\$ 45,430,621
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES					1,163		
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES		629,374		47,762		1,498	2,253,155
TRANSFERS IN - NONFILING ENTITIES							16,228,191
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	200,000			43,100,000			143,424,730
MISCELLANEOUS							
TOTAL RECEIPTS	200,000	629,374	-	43,147,762	1,163	1,498	161,906,077
DISBURSEMENTS							
PAYROLL							
PAYROLL TAXES							
TRADE PAYABLES - THIRD PARTIES							33,333
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION							
PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							168,266
TRANSFERS OUT - THIRD PARTIES	196,760						9,251,756
TRANSFERS OUT - NONFILING ENTITIES							1,000,617
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		775,588		3,400,000			169,127,769
MISCELLANEOUS							1,221
TOTAL DISBURSEMENTS	196,760	775,588	-	3,400,000	-	-	179,582,962
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	3,240	(146,214)	-	39,747,762	1,163	1,498	(17,676,885)
CASH - END OF MONTH	\$ 74,713	\$ 209,274	\$ -	\$ 97,455,674	\$ 7,555	\$ 865,487	\$ 27,753,736

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of certain other debtor entities, generally and primarily those that are inactive and/or have no direct employees. Such expenditures are generally de minimis and could include professional fees, state registration fees, business license fees and certain taxes.

W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	Bank of America Lockbox 8188203114	Bank of America Securities LLC 22330134		First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	First Union Libby Medical 2079900065006
<b>CASH BEGINNING OF MONTH</b>	\$ 2,455,108	\$ 35,066,856	A	\$ 8,145,054	\$ 41,568	\$ -	\$ 0
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES	53,107,399						
ACCOUNTS RECEIVABLE - INTERCOMPANY	2,924,667						
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				130,100,000	18,407,308		100,000
MISCELLANEOUS							
<b>TOTAL RECEIPTS</b>	56,032,065	-		130,100,000	18,407,308	-	100,000
<b>DISBURSEMENTS</b>							
PAYROLL					12,388,826		
PAYROLL TAXES					5,898,511		
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION							
PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	180,116						90,656
TRANSFERS OUT - NONFILING ENTITIES	2,584,398						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	53,903,436	5,996,315		129,455,040			
MISCELLANEOUS				7,780			
<b>TOTAL DISBURSEMENTS</b>	56,667,950	5,996,315		129,462,820	18,287,337	-	90,656
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	(635,884)	(5,996,315)		637,180	119,970	-	9,344
<b>CASH - END OF MONTH</b>	\$ 1,819,223	\$ 29,070,541	A	\$ 8,782,234	\$ 161,539	\$ -	\$ 9,344

**Note #1**

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**Note A**

This account has been reported as "investment securities" in W.R. Grace & Co.- Conn's balance sheet as of October 31, 2008

W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	SunTrust Payroll 00000141309	PNC 4002641360	Hibernia Natl Disbursement 101391210	JP Morgan Chase Lockbox 304616494
CASH BEGINNING OF MONTH	\$ (3,284,887)	\$ -	\$ -	\$ -	\$ (0)	\$ 45,246	\$ (0)	\$ 10,000	\$ 1,547,887
RECEIPTS									
ACCOUNTS RECEIVABLE - THIRD PARTIES									44,772,282
ACCOUNTS RECEIVABLE - INTERCOMPANY									39,373,438
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI									
DIP BORROWINGS									
TRANSFERS IN - THIRD PARTIES									
TRANSFERS IN - NONFILING ENTITIES									
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	49,792,914			1,123,172	60,031,647				
MISCELLANEOUS									
TOTAL RECEIPTS	49,792,914	-	-	1,123,172	60,031,647	-	-	-	84,145,720
DISBURSEMENTS									
PAYROLL									
PAYROLL TAXES									
TRADE PAYABLES - THIRD PARTIES	(a) 59,193,577			1,372,627	58,785,440				
TRADE PAYABLES - INTERCOMPANY									
ACCOUNT SECURITIZATION									
PAYMENTS AS SERVICER FOR GRPI									
DIP PRINCIPAL REPAYMENTS									
DIP INTEREST AND USAGE FEES									
TRANSFERS OUT - THIRD PARTIES									
TRANSFERS OUT - NONFILING ENTITIES									
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS									85,345,706
MISCELLANEOUS				80,841	5,576,467				20,199
TOTAL DISBURSEMENTS	59,193,577	-	-	1,453,468	64,361,907	-	-	-	85,365,905
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(9,400,663)	-	-	(330,296)	-433,0260	-	-	-	(1,220,166)
CASH - END OF MONTH	\$ (12,685,550)	\$ -	\$ -	\$ (330,296)	\$ (4,330,260)	\$ 45,246	\$ (0)	\$ 10,000	\$ 327,701

## Note #1

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(a) These disbursements include Libby indictment, legal, and indemnification costs of \$3,905,407.39.

W. R. Grace & Co. - Conn					
Schedule of Cash Receipts and Disbursements					
MOR-1					
October 2008					
	Alfirst Payroll 16298657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco Interam de Finanzas 007000107847
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ 37,821	\$ 491,084	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES			13,174	196,482	-
ACCOUNTS RECEIVABLE - INTERCOMPANY			-	-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	-	-
DIP BORROWINGS			-	-	-
TRANSFERS IN - THIRD PARTIES			229,427	-	-
TRANSFERS IN - NONFILING ENTITIES			-	-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			-	-	-
MISCELLANEOUS					
TOTAL RECEIPTS	-	-	242,600	196,482	-
DISBURSEMENTS					
PAYROLL			12,645	-	-
PAYROLL TAXES			75,838	-	-
TRADE PAYABLES - THIRD PARTIES			-	-	-
TRADE PAYABLES - INTERCOMPANY			-	-	-
ACCOUNT SECURITIZATION			-	-	-
PAYMENTS AS SERVICER FOR GRPI			-	-	-
DIP PRINCIPAL REPAYMENTS			-	-	-
DIP INTEREST AND USAGE FEES			-	-	-
TRANSFERS OUT - THIRD PARTIES			157,346	230,000	-
TRANSFERS OUT - NONFILING ENTITIES			-	-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			-	-	-
MISCELLANEOUS			31,146	9,317	-
TOTAL DISBURSEMENTS	-	-	276,975	239,317	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	(34,375)	(42,836)	-
CASH - END OF MONTH	\$ -	\$ -	\$ 3,446	\$ 448,249	\$ -

**Note #1**

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W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	Banco Interam de Finanzas 7000107707	HSBC Operating Acct 1128001	Bank Boston Operating Acct 154519	Cash in Transit	Cash on Hand	Other
CASH BEGINNING OF MONTH	\$ -	\$ 834,827	\$ -	\$ 1	\$ 22,203	\$ (1,856)
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	-	246,124				
ACCOUNTS RECEIVABLE - INTERCOMPANY	-	-				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	-				
DIP BORROWINGS	-	-				
TRANSFERS IN - THIRD PARTIES	-	-				
TRANSFERS IN - NONFILING ENTITIES	-	-				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	-	-				
MISCELLANEOUS	-	-				
TOTAL RECEIPTS	-	246,124		-	-	-
DISBURSEMENTS						
PAYROLL	-	-				
PAYROLL TAXES	-	-				
TRADE PAYABLES - THIRD PARTIES	-	814,170				
TRADE PAYABLES - INTERCOMPANY	-	-				
ACCOUNT SECURITIZATION	-	-				
PAYMENTS AS SERVICER FOR GRPI	-	-				
DIP PRINCIPAL REPAYMENTS	-	-				
DIP INTEREST AND USAGE FEES	-	-				
TRANSFERS OUT - THIRD PARTIES	-	-		(317,958)		
TRANSFERS OUT - NONFILING ENTITIES	-	-				
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	-	-				
MISCELLANEOUS	-	10,201				40,517
TOTAL DISBURSEMENTS	-	824,371		(317,958)	-	40,517
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(578,247)		317,958	-	(40,517)
CASH - END OF MONTH	\$ -	\$ 256,581	\$ -	\$ 317,959	\$ 22,203	\$ (42,373)

## Note #1

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## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	CURRENT MONTH	
	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 149,846,788	\$ -
RECEIPTS		
ACCOUNTS RECEIVABLE - THIRD PARTIES	98,336,624	
ACCOUNTS RECEIVABLE - INTERCOMPANY	42,298,104	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	
DIP BORROWINGS	-	
TRANSFERS IN - THIRD PARTIES	3,161,216	
TRANSFERS IN - NONFILING ENTITIES	16,228,191	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	446,279,770	
MISCELLANEOUS	-	
TOTAL RECEIPTS	606,303,905	-
DISBURSEMENTS		
PAYROLL	12,401,471	
PAYROLL TAXES	5,974,349	
TRADE PAYABLES - THIRD PARTIES	120,199,147	
TRADE PAYABLES - INTERCOMPANY	-	
ACCOUNT SECURITIZATION	-	
PAYMENTS AS SERVICER FOR GRPI	-	
DIP PRINCIPAL REPAYMENTS	-	
DIP INTEREST AND USAGE FEES	168,266	
TRANSFERS OUT - THIRD PARTIES	9,788,678	
TRANSFERS OUT - NONFILING ENTITIES	3,585,014	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	448,003,854	
MISCELLANEOUS	5,777,690	
TOTAL DISBURSEMENTS	605,898,469	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	405,436	-
CASH - END OF MONTH	\$ 150,252,224	\$ -

## Note #1

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W.R. Grace & Co.			
Schedule of Cash Receipts and Disbursements			
MOR-1			
October 2008			
	JP Morgan Chase Pass Through 323881963	CURRENT MONTH:	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	570,197	570,197	-
TOTAL RECEIPTS	570,197	570,197	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	570,197	570,197	-
MISCELLANEOUS		-	-
TOTAL DISBURSEMENTS	570,197	570,197	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Remedium Group, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (121,648)	\$ -	\$ (121,648)	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		570,197		570,197	
TOTAL RECEIPTS	-	570,197	-	570,197	-
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		591,998		591,998	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	-	591,998	-	591,998	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(21,801)	-	(21,801)	
CASH - END OF MONTH	\$ -	\$ (143,449)	\$ -	\$ (143,449)	\$ -

Darex Puerto Rico, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

October 2008

	Citibank Operating Acct 300153011	Petty Cash	Other	Cash-in-Transit	CURRENT MONTH	
					ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 4,956,131	\$ -	\$ -	\$ -	\$ 4,956,131	\$ -
RECEIPTS						
		No Activity	No Activity	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES	381,498				381,498	
ACCOUNTS RECEIVABLE - INTERCOMPANY					-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					-	
DIP BORROWINGS					-	
TRANSFERS IN - THIRD PARTIES					-	
TRANSFERS IN - NONFILING ENTITIES					-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	421,650				421,650	
TOTAL RECEIPTS	803,147	-	-	-	803,147	-
DISBURSEMENTS						
PAYROLL	6,599				6,599	
PAYROLL TAXES	2,537				2,537	
TRADE PAYABLES - THIRD PARTIES	138,211				138,211	
TRADE PAYABLES - INTERCOMPANY					-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI					-	
DIP PRINCIPAL REPAYMENTS					-	
DIP INTEREST AND USAGE FEES					-	
TRANSFERS OUT - THIRD PARTIES					-	
TRANSFERS OUT - NONFILING ENTITIES					-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	421,650				421,650	
MISCELLANEOUS					-	
TOTAL DISBURSEMENTS	568,997	-	-	-	568,997	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	234,151	-	-	-	234,151	-
CASH - END OF MONTH	\$ 5,190,282	\$ -	\$ -	\$ -	\$ 5,190,282	\$ -

Grace International Holdings			
Schedule of Cash Receipts and Disbursements			
MOR-1			
October 2008			
	Grace International Holdings 323136524	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION		-	-
PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	-
MISCELLANEOUS		-	-
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

CC Partners Schedule of Cash Receipts and Disbursements MOR-1 October 2008			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	-
MISCELLANEOUS		-	-
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Kootenai Development Company			
Schedule of Cash Receipts and Disbursements			
MOR-1			
October 2008			
	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 46,261	\$ 46,261	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES	-	-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY	-	-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	-	-
DIP BORROWINGS	-	-	-
TRANSFERS IN - THIRD PARTIES	-	-	-
TRANSFERS IN - NONFILING ENTITIES	-	-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	-	-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL	-	-	-
PAYROLL TAXES	-	-	-
TRADE PAYABLES - THIRD PARTIES	-	-	-
TRADE PAYABLES - INTERCOMPANY	-	-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI	-	-	-
DIP PRINCIPAL REPAYMENTS	-	-	-
DIP INTEREST AND USAGE FEES	-	-	-
TRANSFERS OUT - THIRD PARTIES	-	-	-
TRANSFERS OUT - NONFILING ENTITIES	-	-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	-	-	-
MISCELLANEOUS	5,955	5,955	-
TOTAL DISBURSEMENTS	5,955	5,955	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(5,955)	(5,955)	-
CASH - END OF MONTH	\$ 40,306	\$ 40,306	\$ -

Grace Europe, Inc.			
Schedule of Cash Receipts and Disbursements			
MOR-1			
October 2008			
	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -



Gloucester New Communities Company, Inc. Schedule of Cash Receipts and Disbursements MOR-1 October 2008			
	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -

Dewey & Almy, LLC			
Schedule of Cash Receipts and Disbursements			
MOR-1			
October 2008			
		CURRENT MONTH	
	Miscellaneous	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

October 31, 2008

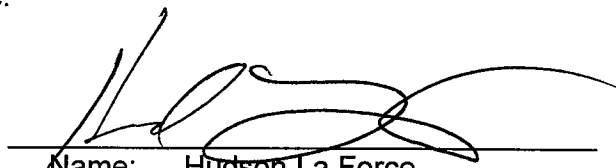
Office of the United States Trustee

Subject: Attestation Regarding Bank Account Reconciliations

The debtor, W. R. Grace & Co, et al, hereby submits this attestation regarding bank account reconciliations in lieu of providing copies of bank statements and copies of all account reconciliations.

The debtor has, on a timely basis, performed all bank account reconciliations in the ordinary course of business. Copies of bank account statements and reconciliations are available for inspection upon request by the United States Trustee's Office.

GRACE

  
Name: Hudson La Force  
Position: Senior Vice President and  
Chief Financial Officer

Sworn to and Subscribed  
before me on this 2<sup>nd</sup>  
day of December, 2008.



LEAH ANGLE  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires September 13, 2011

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 87,128,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	40,980,701	-	-	-	-	-	-	-	-
Net sales to filing entities	418,302	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	4,907,322	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(8,373,597)	4,813,805	611,502	19,173	845,233	-	2,602,915	-	-
	125,060,996	4,813,805	611,502	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	62,466,058	-	(15)	-	-	-	-	-	-
Cost of goods sold to non-filing entities	33,226,764	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	322,763	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	(a) 29,044,599	-	(1,848)	-	-	32,000	-	-	-
Research and development expenses	3,232,268	-	-	-	-	-	-	-	-
Depreciation and amortization	4,352,174	-	1,848	-	-	-	-	-	-
Interest expense	4,005,525	-	-	-	-	-	-	-	-
Other expense (income), net	7,827,722	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	3,237,304	-	-	-	-	-	-	-	-
	147,715,176	-	(15)	-	-	32,000	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(22,654,179)	4,813,805	611,517	19,173	845,233	(32,000)	2,602,915	-	-
(Provision for) benefit from income taxes	7,073,524	(1,684,831)	(214,083)	(6,710)	(295,832)	(467)	(911,020)	2,978	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (15,580,655)</b>	<b>\$ 3,128,974</b>	<b>\$ 397,434</b>	<b>\$ 12,463</b>	<b>\$ 549,401</b>	<b>\$ (32,467)</b>	<b>\$ 1,691,895</b>	<b>\$ 2,978</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

(a) Amount includes \$3,390,279 of expense for Grace's legal and indemnification costs related to the Libby Indictment. \$1,292,503 of this amount relates specifically to the indemnification costs of the seven current and former employees under indictment.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 340,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	26,146	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(519,030)	-	-	-	-	-	-	-	-
	(492,884)	340,235	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	185,725	1,223	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	105,393	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	53,574	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	86,168	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	1	(7,432)	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	1	423,428	1,223	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(492,885)	(83,192)	(1,223)	-	-	-	-	-	-
(Provision for) benefit from income taxes	169,961	29,117	428	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (322,924)</b>	<b>\$ (54,075)</b>	<b>\$ (795)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	5,955	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	314	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	6,269	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(6,269)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	2,194	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (4,075)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	4,596	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	4,596	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	(4,596)	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,596)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	1,204	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	1,204	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	(1,204)	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,204)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended October 31, 2008

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	(418,302)
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(418,302)
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	(428,155)
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(428,155)
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	9,854
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,854</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended October 31, 2008		
	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ 87,468,504
Net sales to non-filing entities	-	\$ 40,980,701
Net sales to filing entities	-	\$ -
Interest and royalties from non-filing entities, net	-	\$ 4,933,468
Interest and royalties from filing entities, net	-	\$ -
	-	\$ 133,382,673
Cost of goods sold to third parties	-	\$ 62,652,991
Cost of goods sold to non-filing entities	-	\$ 33,226,764
Cost of goods sold to filing entities	-	\$ -
Selling, general and administrative expenses	-	\$ 29,140,079
Research and development expenses	-	\$ 3,232,268
Depreciation and amortization	-	\$ 4,440,504
Interest expense	-	\$ 4,005,525
Other expense (income), net	-	\$ 7,820,291
Chapter 11 reorganization expenses, net of interest income	-	\$ 3,237,304
	-	\$ 147,755,725
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	\$ (14,373,053)
(Provision for) benefit from income taxes	-	\$ 4,165,259
Minority interest in income of subsidiary	-	\$ -
Equity in net income of non-filing entities	9,478,759	\$ 9,478,759
<b>Net (loss) income</b>	<b>\$ 9,478,759</b>	<b>\$ (729,035)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	W. R. Grace & Co. - Conn	W. R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 121,181,683	\$ -	\$ (143,449)	\$ -	\$ -	\$ -
Investment securities	29,070,541	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	30,714,534	-	-	-	-	-
Accounts and other receivables, net	122,355,781	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,445,173	(338,913,668)	(26,702,040)	12,875,432	(69,842,762)	(12,513,006)
Inventories	174,427,051	-	-	-	-	-
Deferred income taxes	40,915,085	-	(191,588)	-	-	-
Other current assets	13,630,778	-	0	-	-	-
<b>Total Current Assets</b>	<b>884,740,626</b>	<b>(338,913,668)</b>	<b>(27,037,076)</b>	<b>12,875,432</b>	<b>(69,842,762)</b>	<b>(12,513,006)</b>
Properties and equipment, net	404,773,801	-	337,665	-	-	-
Goodwill	24,163,463	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	4,171,921	-	-	-	-	-
Deferred income taxes	988,458,212	-	21,345,718	-	-	-
Asbestos-related insurance receivable	500,000,000	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,699,625,043)	1,100,801,547	113,537,659	5,933,532	257,386,856	-
Investment in filing and non-filing entities	1,156,059,864	241,512,111	-	-	-	-
Overfunded defined benefit pension plans	425,002	-	-	-	-	-
Other assets	82,755,899	-	-	-	-	1
<b>Total Assets</b>	<b>\$ 2,345,923,745</b>	<b>\$ 1,003,399,990</b>	<b>\$ 108,183,966</b>	<b>\$ 18,808,964</b>	<b>\$ 187,544,094</b>	<b>\$ (12,513,005)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 0	-	\$ -	\$ -	\$ -	\$ -
Accounts payable	76,505,142	-	346,928	-	-	-
Income taxes payable	1,120,618	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	137,704,302	-	(128,262)	-	-	5,240
<b>Total Current Liabilities</b>	<b>215,330,062</b>	<b>-</b>	<b>218,666</b>	<b>-</b>	<b>-</b>	<b>5,240</b>
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	243,638,008	-	-	-	-	-
Minority interest in consolidated entities	61,574,245	-	-	-	-	-
Underfunded defined benefit pension plans	158,882,145	-	-	-	-	-
Other liabilities	32,750,940	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>712,175,400</b>	<b>-</b>	<b>218,666</b>	<b>-</b>	<b>-</b>	<b>5,240</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	818,364,712	-	-	-	-	-
Drawn letters of credit plus accrued interest	30,035,524	-	-	-	-	-
Income tax contingences	(98,152,692)	104,491,027	(12,495,613)	457,760	20,701,831	(223,830)
Asbestos-related contingences	1,700,000,000	-	-	-	-	-
Environmental contingences	86,825,535	-	60,440,371	-	-	-
Postretirement benefits	151,335,149	-	-	-	-	-
Other liabilities and accrued interest	128,566,612	-	656,146	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>2,816,974,840</b>	<b>104,491,027</b>	<b>48,600,904</b>	<b>457,760</b>	<b>20,701,831</b>	<b>(223,830)</b>
<b>Total Liabilities</b>	<b>3,529,150,241</b>	<b>104,491,027</b>	<b>48,819,570</b>	<b>457,760</b>	<b>20,701,831</b>	<b>(218,590)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	83,968,960	835,367	12,223	1,000	-	1,000
Paid in capital	142,809,878	431,224,072	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(1,004,333,383)	523,548,318	49,627,724	(15,702,262)	110,830,686	(12,295,415)
Treasury stock, at cost	-	(57,401,894)	-	-	-	-
Accumulated other comprehensive (loss) income	(405,671,950)	703,100	-	-	-	-
Deferred compensation trust	-	703,100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>(1,183,226,495)</b>	<b>898,908,963</b>	<b>59,364,396</b>	<b>18,351,204</b>	<b>166,842,263</b>	<b>(12,294,415)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,345,923,745</b>	<b>\$ 1,003,399,990</b>	<b>\$ 108,183,966</b>	<b>\$ 18,808,964</b>	<b>\$ 187,544,094</b>	<b>\$ (12,513,005)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
October 31, 2008

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewiffe Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,190,282	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	81,868	-	-	1,740,000	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,610)	5,652,622	140,524,854	(91,668,064)	2,070,799	(5,102,668)
Inventories	-	-	-	-	247,875	-
Deferred income taxes	-	93,258	-	-	72,789	-
Other current assets	-	-	-	-	0	-
<b>Total Current Assets</b>	(386,938,610)	5,827,747	140,524,854	(91,668,064)	9,321,746	(5,102,668)
Properties and equipment, net	-	-	-	-	559,683	-
Goodwill	-	-	-	-	1,256,948	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	617,307,554	(3,271,368)	-	35,733,272	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	54,000	-	-	5,963,392	-
<b>Total Assets</b>	<b>\$ 230,368,944</b>	<b>\$ 2,610,379</b>	<b>\$ 140,524,854</b>	<b>\$ 2,734,673</b>	<b>\$ 17,101,770</b>	<b>\$ (5,102,668)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	22,008	-	991,146	925,008	24,000
Income taxes payable	-	-	-	-	(1,120,350)	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	353,474	-	1,738,062	214,483	-
<b>Total Current Liabilities</b>	-	375,483	-	2,729,208	19,140	24,000
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	(169,509)	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	375,483	-	2,559,699	19,140	24,000
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	63,770,902	(996,206)	(150)	(7,510,839)	767,455	(388,058)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	266,371	-	-	133,907	-
<b>Total Liabilities Subject to Compromise</b>	63,770,902	(729,836)	(150)	(7,510,839)	901,362	(388,058)
<b>Total Liabilities</b>	63,770,902	(354,353)	(150)	(4,951,140)	920,502	(364,058)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	112	-	-	-	-	-
Common stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	61,845,489	13,074,177	274,606
(Accumulated deficit)/Retained earnings	195,864,340	(499,864)	115,166,011	(98,393,460)	3,106,090	(5,013,415)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	3,463,597	-	44,232,784	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	166,598,042	2,964,732	140,525,004	7,685,813	16,181,267	(4,738,610)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 230,368,944</b>	<b>\$ 2,610,379</b>	<b>\$ 140,524,854</b>	<b>\$ 2,734,673</b>	<b>\$ 17,101,770</b>	<b>\$ (5,102,668)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	Alewife Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(26,161)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(26,161)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 55,985,416</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(210)	-	-	(110)	(330)	(7,489)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(7,489)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(7,489)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,492,905
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	55,992,905
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 55,985,416</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 40,307	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	7,535	-	-	-	-	-
<b>Total Current Assets</b>	<b>37,359</b>	<b>(26,614,022)</b>	<b>57,347,191</b>	<b>(7,283,826)</b>	<b>-</b>	<b>-</b>
Properties and equipment, net	15,701	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 53,059</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	5,000	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(437,745)	(195)	10,346,794	(230)	-	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(437,745)</b>	<b>(195)</b>	<b>10,346,794</b>	<b>(230)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>(437,745)</b>	<b>4,805</b>	<b>10,346,794</b>	<b>(230)</b>	<b>-</b>	<b>-</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	5,150	-	-
Paid in capital	1,303,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(813,150)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	(99,212)	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>490,804</b>	<b>(26,618,827)</b>	<b>47,000,396</b>	<b>(7,283,596)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 53,059</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(450)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(450)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(10,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(8,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



W. R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
October 31, 2008

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (1,230,613)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Total Liabilities</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(1,230,683)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(1,230,583)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (1,230,613)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
October 31, 2008

	W. R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W. R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	91,572
Receivables from/(payables to) filing and non-filing entities, net	36,708,315	-	(73,061)	(12,559,518)	(264,688)	(19,555,815)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	36,708,315	-	(73,061)	(12,559,518)	(264,688)	(19,463,742)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
<b>Total Assets</b>	<b>\$ 42,993,121</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 173,757</b>	<b>\$ (19,459,676)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
<b>Total Current Liabilities</b>	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	199	4,066
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(821)	-	(110)	(265)	(759)	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(821)	-	(110)	(265)	(759)	-
<b>Total Liabilities</b>	(821)	-	(110)	(265)	(560)	4,066
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 42,993,121</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 173,757</b>	<b>\$ (19,459,676)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,478,717</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,637)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(1,432)	(300)	(335)	(405)	(185)	(110)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(1,432)	(300)	(335)	(405)	(185)	(110)
<b>Total Liabilities</b>	(1,432)	(300)	(335)	(405)	(185)	(110)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 23,478,717</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,637)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,839</b>	<b>\$ 875,359</b>	<b>\$ (5,314)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(119)	(110)	-	(360)	(310)	(260)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(119)	(110)	-	(360)	(310)	(260)
<b>Total Liabilities</b>	(119)	(110)	-	(360)	(310)	(260)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,839</b>	<b>\$ 875,359</b>	<b>\$ (5,314)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
October 31, 2008

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	25,064,465	25,064,465	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	25,064,465	25,064,465	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(360)	3,962,996	3,963,171	(480)	(110)	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(360)	3,962,996	3,963,171	(480)	(110)	-
<b>Total Liabilities</b>	(360)	29,027,461	29,027,636	(480)	(110)	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
October 31, 2008

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	200,000
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(5,449,795)
Other current assets	-	-	-	-	-
<b>Total Current Assets</b>	-	-	-	-	(5,249,795)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(293,597,429)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,323,802,717)	(34,924,348)	1,800,000
Overfunded defined benefit pension plans	-	-	-	-	-
Other assets	-	-	(1,201,282)	-	-
<b>Total Assets</b>	\$ -	\$ -	\$ (1,325,003,999)	\$ (34,924,348)	\$ (297,047,224)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>					
<b>Liabilities Not Subject to Compromise</b>					
<b>Current Liabilities</b>					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	(100,000)	-	1,067,991
<b>Total Current Liabilities</b>	-	-	(100,000)	-	1,067,991
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(293,597,429)
Minority interest in consolidated entities	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-
Other liabilities	-	-	100,000	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	(292,529,438)
<b>Liabilities Subject to Compromise</b>					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-
Income tax contingences	-	-	-	-	-
Asbestos-related contingences	-	-	-	-	-
Environmental contingences	-	-	-	-	-
Postretirement benefits	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	(12,317,786)
<b>Total Liabilities Subject to Compromise</b>	-	-	-	-	(12,317,786)
<b>Total Liabilities</b>	-	-	-	-	(304,847,224)
<b>Shareholders' Equity (Deficit)</b>					
Preferred stock	-	-	-	-	-
Common stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,222,770,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(29,940,039)	12,746,094	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	14,200,000	(47,670,442)	5,800,000
Deferred compensation trust	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	-	-	(1,325,003,999)	(34,924,348)	7,800,000
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ -	\$ -	\$ (1,325,003,999)	\$ (34,924,348)	\$ (297,047,224)

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

October 31, 2008

	COMBINED FILING ENTITIES
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 126,269,323
Investment securities	\$ 29,070,541
Cash value of life insurance policies, net of policy loans	\$ 30,714,534
Accounts and other receivables, net	\$ 124,269,222
Receivables from/(payables to) filing and non-filing entities, net	\$ 84,067,925
Inventories	\$ 174,674,927
Deferred income taxes	\$ 35,439,749
Other current assets	\$ 13,638,313
<b>Total Current Assets</b>	<b>\$ 618,144,534</b>
Properties and equipment, net	\$ 406,125,294
Goodwill	\$ 25,420,411
Cash value of life insurance policies, net of policy loans	\$ 4,171,921
Deferred income taxes	\$ 716,206,501
Asbestos-related insurance receivable	\$ 500,000,000
Loans receivable from/(payable to) filing and non-filing entities, net	\$ 377,765,161
Investment in filing and non-filing entities	\$ 492,030,455
Overfunded defined benefit pension plans	\$ 425,002
Other assets	\$ 87,576,077
<b>Total Assets</b>	<b>\$ 3,227,865,356</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	
<b>Liabilities Not Subject to Compromise</b>	
<b>Current Liabilities</b>	
Debt payable within one year	\$ 0
Accounts payable	\$ 78,818,298
Income taxes payable	\$ 268
Asbestos-related liability expected to be disbursed within one year	\$ -
Other current liabilities	\$ 140,855,492
<b>Total Current Liabilities</b>	<b>\$ 219,674,058</b>
Debt payable after one year	\$ -
Deferred income taxes	\$ -
Minority interest in consolidated entities	\$ 61,579,245
Underfunded defined benefit pension plans	\$ 158,882,145
Other liabilities	\$ 32,850,940
<b>Total Liabilities Not Subject to Compromise</b>	<b>\$ 472,986,388</b>
<b>Liabilities Subject to Compromise</b>	
Debt, pre-petition plus accrued interest	\$ 818,364,712
Drawn letters of credit plus accrued interest	\$ 30,035,524
Income tax contingences	\$ 88,238,340
Asbestos-related contingences	\$ 1,700,000,000
Environmental contingences	\$ 147,265,905
Postretirement benefits	\$ 151,335,149
Other liabilities and accrued interest	\$ 117,305,251
<b>Total Liabilities Subject to Compromise</b>	<b>\$ 3,052,544,881</b>
<b>Total Liabilities</b>	<b>\$ 3,525,531,269</b>
<b>Shareholders' Equity (Deficit)</b>	
Preferred stock	\$ 112
Common stock	\$ 838,044
Paid in capital	\$ 434,891,066
(Accumulated deficit)/Retained earnings	\$ (290,951,119)
Treasury stock, at cost	\$ (57,401,894)
Accumulated other comprehensive (loss) income	\$ (385,042,122)
Deferred compensation trust	\$ 703,100
<b>Total Shareholders' Equity (Deficit)</b>	<b>\$ (297,665,913)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 3,227,865,356</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

<b>W. R. Grace &amp; Co. - Conn</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>October 31, 2008</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ (3,786)	\$ 2,172,703	\$ (2,172,128)	\$ (3,211)
FICA - Employee	11,660	1,042,337	(1,040,929)	13,068
FICA and payroll- Employer	3,232,022	1,042,337	(618,564)	3,655,795
Unemployment	-	785	(785)	-
Other	-	2,924	(2,924)	-
<b>Total Federal Taxes</b>	<b>\$ 3,239,896</b>	<b>\$ 4,261,086</b>	<b>\$ (3,835,330)</b>	<b>\$ 3,665,652</b>
<b>State and Local</b>				
Withholding	\$ 62,868	\$ 740,579	\$ (740,579)	\$ 62,868
Sales & Use	685,075	673,730	(509,650)	849,155
Property Taxes	2,911,702	308,128	(595,227)	2,624,603
Other	-	97,968	(97,968)	-
<b>Total State and Local</b>	<b>\$ 3,659,645</b>	<b>\$ 1,820,405</b>	<b>\$ (1,943,424)</b>	<b>\$ 3,536,626</b>
<b>Total Taxes</b>	<b>\$ 6,899,541</b>	<b>\$ 6,081,491</b>	<b>\$ (5,778,754)</b>	<b>\$ 7,202,278</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.



Chart 5

Remedium Group, Inc. Status of Postpetition Taxes MOR-4 October 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
<b>Federal</b>				
Withholding	\$ (283)	\$ 7,146	\$ (7,146)	\$ (283)
FICA - Employee	-	1,086	(1,086)	-
FICA and payroll- Employer	-	1,086	(1,086)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ (283)</b>	<b>\$ 9,318</b>	<b>\$ (9,318)</b>	<b>\$ (283)</b>
<b>State and Local</b>				
Withholding	\$ -	\$ 739	\$ (739)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ -</b>	<b>\$ 739</b>	<b>\$ (739)</b>	<b>\$ -</b>
<b>Total Taxes</b>	<b>\$ (283)</b>	<b>\$ 10,057</b>	<b>\$ (10,057)</b>	<b>\$ (283)</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Grace Washington, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>October 31, 2008</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ 2,582	\$ 5,290	\$ (5,290)	\$ 2,582
FICA - Employee	141	285	(285)	141
FICA and payroll- Employer	139	285	(285)	139
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 2,862</b>	<b>\$ 5,860</b>	<b>\$ (5,860)</b>	<b>\$ 2,862</b>
<b>State and Local</b>				
Withholding	\$ 532	\$ 1,092	\$ (1,092)	\$ 532
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 532</b>	<b>\$ 1,092</b>	<b>\$ (1,092)</b>	<b>\$ 532</b>
<b>Total Taxes</b>	<b>\$ 3,394</b>	<b>\$ 6,952</b>	<b>\$ (6,952)</b>	<b>\$ 3,394</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>L B Realty, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>October 31, 2008</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ -	\$ -	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Taxes</b>	\$ -	\$ -	\$ -	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc. Status of Postpetition Taxes MOR-4 October 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
<b>Federal</b>				
Withholding	\$ -		\$ -	\$ -
FICA - Employee	-	691	(691)	-
FICA and payroll- Employer	-	691	(691)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 1,382	\$ (1,382)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 1,155	\$ (1,155)	\$ -
Sales & Use	49	(215)	(49)	(215)
Property Taxes	276,087	2,900	-	278,987
Other	-	-	-	-
<b>Total State and Local</b>	\$ 276,136	\$ 3,840	\$ (1,204)	\$ 278,772
<b>Total Taxes</b>	\$ 276,136	\$ 5,222	\$ (2,586)	\$ 278,772

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

**W. R. Grace & Co. - Conn**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**October 2008**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ 124,517,568
Amounts billed during the period	\$ 87,128,269
Amounts collected during the period	\$ (98,336,624)
Other	\$ 5,834,354
Trade accounts receivable at the end of month, gross	\$ 119,143,567

**Trade Accounts Receivable Aging**

Current	\$ 101,139,286
1-30 days past due	\$ 14,972,911
31-60 days past due	\$ 2,123,773
+61 days past due	\$ 907,597
Trade accounts receivable, gross	\$ 119,143,567
Allowance for doubtful accounts	\$ (1,119,346)
Trade accounts receivable, net	\$ 118,024,221

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ 118,024,221
Customer notes and drafts receivable	\$ 817,992
Pending customer credit notes	\$ 13,779
Advances and deposits	\$ 2,487,467
Nontrade receivables, net	\$ 1,012,321
Total notes and accounts receivable, net	\$ 122,355,781

Chart 6

**Darex Puerto Rico, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**October 2008**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ 1,972,174
Amounts billed during the period	340,235
Amounts collected during the period	(381,498)
Other	13,498
Trade accounts receivable at the end of month, gross	\$ 1,944,410

**Trade Accounts Receivable Aging**

Current	\$ 991,957
1-30 days past due	257,050
31-60 days past due	274,278
+61 days past due	421,125
Trade accounts receivable, gross	1,944,410
Allowance for doubtful accounts	(203,202)
Trade accounts receivable, net	\$ 1,741,208

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ 1,741,208
Customer notes and drafts receivable	-
Pending customer credit notes	(1,207)
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 1,740,000

Chart 6

**Remedium Group, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**October 2008**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ -

Chart 6

**Gloucester New Communities Company, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**October 2008**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	91,572
Total notes and accounts receivable, net	\$ 91,572



Chart 6

**Grace Europe, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**October 2008**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	81,868
Total notes and accounts receivable, net	\$ 81,868

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 October 31, 2008		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

## **Combined Chapter 11 Filing Entity Statements**

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities				
Combined Statements of Operations				
In millions	Month Ended October 31,		Ten Months Ended October 31,	
	2008	2007	2008	2007
Net sales to third parties	\$ 87.5	\$ 89.6	\$ 890.3	\$ 863.2
Net sales to non-filing entities	41.0	45.8	433.0	401.3
Interest and royalties from non-filing entities	4.9	1.9	63.4	34.1
	133.4	137.3	1,386.7	1,298.6
Cost of goods sold to third parties	62.6	61.8	614.3	574.8
Cost of goods sold to non-filing entities	33.2	34.3	346.2	310.4
Selling, general and administrative expenses	25.5	25.6	251.2	260.0
Depreciation and amortization	4.4	4.6	47.6	45.5
Research and development expenses	3.3	4.0	36.6	36.2
Defined benefit pension expense	3.6	3.4	31.6	32.2
Interest expense	4.0	5.8	46.2	62.3
Other (income) expense, net	7.8	(1.0)	3.8	(8.9)
Provision for asbestos-related litigation, net of estimated insurance recovery	-	-	-	-
Provision for environmental remediation	-	-	8.8	12.0
Chapter 11 expenses, net of interest income	3.3	6.8	51.7	69.6
	147.7	145.3	1,438.0	1,394.1
Income (loss) before income taxes and equity in net income of non-filing entities	(14.3)	(8.0)	(51.3)	(95.5)
Benefit from (provision for) income taxes	4.2	0.3	(7.6)	9.6
Income (loss) before equity in net income of non-filing entities	(10.1)	(7.7)	(58.9)	(85.9)
Equity in net income of non-filing entities	9.3	13.0	136.2	142.8
<b>Net income</b>	<b>\$ (0.8)</b>	<b>\$ 5.3</b>	<b>\$ 77.3</b>	<b>\$ 56.9</b>

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combined Functional Basis Statements of Cash Flows

<i>In millions</i>	Month Ended October 31, 2008	Ten Months Ended October 31, 2008	Ten Months Ended October 31, 2007
<b>Core operations cash flow</b>			
Pre-tax income (loss) from core operations	\$ 6.0	\$ 103.4	\$ 77.2
Depreciation and amortization	4.4	47.6	45.5
	10.4	151.0	122.7
Payments under defined benefit pension arrangements	(6.2)	(53.3)	(80.2)
Change in Non-Filing entity operating loans including interest payments and Investment	1.6	134.7	86.0
Changes in all core assets/liabilities and other	20.5	(3.2)	(20.8)
<b>Core Pre-tax Operating Cash Flow</b>	<b>26.3</b>	<b>229.2</b>	<b>107.7</b>
Dividends paid to minority interests in consolidated entities	-	-	(11.8)
Capital expenditures	(6.5)	(58.5)	(64.3)
Purchase of short-term investments	-	-	-
<b>Core Pre-tax Operating Free Cash Flow</b>	<b>19.8</b>	<b>170.7</b>	<b>31.6</b>
<b>Charges against core reserves</b>			
Deferred compensation	-	(0.2)	(0.3)
Self insurance	(0.2)	(1.2)	(1.4)
<b>Total Spending Against Core Reserves</b>	<b>(0.2)</b>	<b>(1.4)</b>	<b>(1.7)</b>
<b>Net Core Cash Flow</b>	<b>19.6</b>	<b>169.3</b>	<b>29.9</b>
<b>Noncore cash flow</b>			
Proceeds from asset sales	-	-	-
Investments in short term debt securities	-	-	(25.0)
Proceeds from sales of investment securities	4.7	66.2	-
Cash paid to resolve contingencies subject to Chapter 11	-	(252.0)	(10.3)
Legal fees	(4.0)	(19.9)	(12.9)
Other noncore pre-tax cash flow	(1.8)	(10.7)	(5.2)
<b>Noncore Pre-tax Cash Flow</b>	<b>(1.1)</b>	<b>(216.4)</b>	<b>(53.4)</b>
<b>Charges against noncore reserves</b>			
Environmental remediation	(0.8)	(4.1)	(7.9)
Retained obligations and other	(0.1)	(0.2)	(0.9)
Postretirement benefits	(0.6)	(5.3)	(4.2)
<b>Total Spending Against Noncore Reserves</b>	<b>(1.5)</b>	<b>(9.6)</b>	<b>(13.0)</b>
<b>Noncore Cash Flow</b>	<b>(2.6)</b>	<b>(226.0)</b>	<b>(66.4)</b>
<b>Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow</b>	<b>17.0</b>	<b>(56.7)</b>	<b>(36.5)</b>
Cash paid for taxes, net of refunds	(0.5)	(3.4)	(3.2)
Cash paid for interest, net	0.3	(28.1)	2.3
Chapter 11 expenses paid	(8.7)	(61.6)	(67.3)
Interest income on filing entity cash balances	(1.3)	(0.1)	8.5
<b>Cash Flow before Strategic Investments</b>	<b>6.8</b>	<b>(149.9)</b>	<b>(96.2)</b>
<b>Strategic Investments</b>			
Purchase of equity investment	-	(3.0)	-
Dividends received from non-filing entities	-	16.9	51.6
Proceeds from sale of product line	-	-	21.8
Proceeds from exercise of stock options	-	9.6	23.6
<b>Cash used for Strategic Investments</b>	<b>-</b>	<b>23.5</b>	<b>97.0</b>
<b>Cash Flow after Strategic Investments</b>	<b>6.8</b>	<b>(126.4)</b>	<b>0.8</b>
Fees under debtor-in-possession credit facility	(0.3)	(1.9)	(2.2)
Net (investing)/financing activities under life insurance policies	0.1	47.8	(1.6)
<b>Net Cash Flow</b>	<b>\$ 6.6</b>	<b>\$ (80.5)</b>	<b>\$ (3.0)</b>

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheets			
Amounts in millions	October 31, 2008	December 31, 2007	April 2, 2001
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 126.3	\$ 206.8	\$ 8.6
Investment securities	29.1	98.3	-
Cash value of life insurance policies, net of policy loans	30.7	77.1	-
Trade accounts receivable, less allowance of \$1.3 (2007 - \$1.7, Filing Date - \$0.7)	120.6	108.3	32.3
Receivables from non-filing entities, net	84.0	103.2	51.2
Inventories	174.7	136.7	80.6
Deferred income taxes	35.4	22.3	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	17.4	24.8	33.4
<b>Total Current Assets</b>	<b>618.2</b>	<b>777.5</b>	<b>304.0</b>
Properties and equipment, net	406.1	403.8	400.4
Goodwill	25.4	25.4	13.6
Cash value of life insurance policies, net of policy loans	4.2	3.9	64.1
Deferred income taxes	716.2	725.6	401.0
Asbestos-related insurance expected to be realized after one year	500.0	500.0	323.4
Loans receivable from non-filing entities, net	377.8	524.2	387.5
Investment in non-filing entities	491.9	400.8	121.0
Overfunded defined benefit pension plans	0.4	1.5	-
Deferred pension costs	-	-	236.0
Other assets	87.7	52.3	72.5
<b>Total Assets</b>	<b>\$ 3,227.9</b>	<b>\$ 3,415.0</b>	<b>\$ 2,323.5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ -	\$ -	\$ -
Accounts payable	78.8	63.5	-
Other current liabilities	140.9	160.5	-
<b>Total Current Liabilities</b>	<b>219.7</b>	<b>224.0</b>	<b>-</b>
Minority interest in consolidated entities	61.6	64.5	0.3
Underfunded defined benefit pension plans	158.9	159.6	-
Other liabilities	32.8	39.0	31.5
<b>Total Liabilities Not Subject to Compromise</b>	<b>473.0</b>	<b>487.1</b>	<b>31.8</b>
<b>Liabilities Subject to Compromise</b>			
Pre-petition debt plus accrued interest	818.4	783.0	511.5
Drawn letters of credit plus accrued interest	30.0	26.9	-
Income tax contingencies	88.2	89.3	242.1
Asbestos-related contingencies	1,700.0	1,700.0	1,002.8
Environmental contingencies	147.3	368.6	164.8
Postretirement benefits	151.3	172.7	256.2
Other liabilities and accrued interest	117.3	137.0	188.6
<b>Total Liabilities Subject to Compromise</b>	<b>3,052.5</b>	<b>3,277.5</b>	<b>2,366.0</b>
<b>Total Liabilities</b>	<b>3,525.5</b>	<b>3,764.6</b>	<b>2,397.8</b>
<b>Shareholder's Equity (Deficit)</b>			
Common stock	0.8	0.8	0.8
Paid in capital	434.9	431.5	432.6
Accumulated deficit	(290.8)	(368.1)	(201.8)
Treasury stock, at cost	(57.4)	(63.7)	(136.4)
Accumulated other comprehensive loss	(385.1)	(350.1)	(169.5)
<b>Total Shareholders' Equity (Deficit)</b>	<b>(297.6)</b>	<b>(349.6)</b>	<b>(74.3)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 3,227.9</b>	<b>\$ 3,415.0</b>	<b>\$ 2,323.5</b>

**W. R. Grace & Co.**  
**Filing Entity Supplemental Financial Information**  
**October 31, 2008**

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**Basis of Presentation**

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The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with U.S. generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in the Company's 2007 Annual Report on Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Combined Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under U.S. generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed.

In the third quarter of 2008, Grace changed its method of accounting for the cost of its U.S. inventories from the last-in/first-out method, or LIFO, to the first-in/first-out method, or FIFO. Grace decided to make this change in order to achieve a consistent inventory costing method for both U.S. and non-U.S. inventories. Grace has retrospectively restated the prior periods' financial statements for all periods presented herein to account for all inventories using FIFO in compliance with Statement of Financial Accounting Standards ("SFAS") 154.

The results of operations for the ten-month interim period ended October 31, 2008 are not necessarily indicative of the results of operations for the year ending December 31, 2008.

**Other Balance Sheet Accounts**

<i>(In millions)</i>	<b>October 31, 2008</b>	<b>Filing Date</b>
<b>Inventories</b>		
Raw materials .....	\$ 35.9	\$ 20.3
In process .....	26.1	16.2
Finished products .....	99.5	63.8
General merchandise .....	13.2	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis .....	--	(29.3)
	<b>\$ 174.7</b>	<b>\$ 80.6</b>
<b>Other Assets</b>		
Deferred charges .....	25.5	40.4
Long-term receivables .....	0.3	1.9
Long-term investments .....	3.0	2.1
Patents, licenses and other intangible assets, net .....	19.2	25.2
Fair value of foreign currency exchange rate forward contracts .....	38.6	--
Other assets .....	1.1	2.9
	<b>\$ 87.7</b>	<b>\$ 72.5</b>
<b>Other Current Liabilities</b>		
Accrued compensation .....	\$ 46.4	\$ --
Accrued commissions .....	4.7	--
Customer programs .....	19.2	--
Accrued freight .....	9.1	--
Accrued reorganization fees .....	17.5	--
Other accrued liabilities .....	44.0	--
	<b>\$ 140.9</b>	<b>\$ --</b>
<b>Other Liabilities</b>		
Deferred royalty income — non-filing entities .....	\$ --	\$ 31.5
Accrued compensation .....	8.2	--
Other accrued liabilities .....	24.6	--
	<b>\$ 32.8</b>	<b>\$ 31.5</b>
<b>Other Liabilities Subject to Compromise</b>		
Accrued interest on pre-petition liabilities .....	42.2	--
Accounts payable .....	31.2	43.0
Retained obligations of divested businesses .....	30.7	43.5
Other accrued liabilities .....	13.2	102.1
	<b>\$ 117.3</b>	<b>\$ 188.6</b>

Accrued compensation in the table above includes salaries and wages as well as estimated current amounts due under the annual and long-term incentive programs.

**Life Insurance**

Grace is the beneficiary of corporate-owned life insurance ("COLI") policies on certain current and former employees with a net cash surrender value of \$34.9 million at October 31, 2008. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years.



The following table summarizes the components of net cash value at October 31, 2008 and Filing Date:

<b>Components of Net Cash Value</b> <i>(In millions)</i>	<b>October 31, 2008</b>	<b>Filing Date</b>
Gross cash value .....	\$ 80.4	\$ 453.7
Principal – policy loans .....	(45.0)	(390.3)
Accrued interest – policy loans .....	(0.5)	0.7
Total net cash value .....	34.9	64.1
Less: current portion .....	(30.7)	--
Net cash value – long term .....	\$ 4.2	\$ 64.1
Insurance benefits in force .....	\$ 123.5	\$ 2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

In August 2008, Grace received proceeds of \$40.0 million through a loan against the cash value of its life insurance policies. In June 2008, Grace surrendered and terminated life insurance policies and received approximately \$8.1 million of net cash value from the terminations. As a result of the terminations, gross cash value of the policies was reduced by approximately \$8.1 million. Grace's insurance benefits in force was reduced by approximately \$18.9 million.

## Debt

On October 31, 2008 and the Filing Date, Grace's debt was as follows:

<b>Components of Debt</b> <i>(In millions)</i>	<b>October 31, 2008</b>	<b>Filing Date</b>
<b>Debt payable within one year</b>		
DIP facility .....	\$ --	\$ --
Other short-term borrowings and related fees payable .....	--	--
	\$ --	\$ --
<b>Debt payable after one year</b>		
DIP facility .....	\$ --	\$ --
Other long-term borrowings .....	--	--
	\$ --	\$ --
<b>Debt Subject to Compromise</b>		
Bank borrowings .....	\$ 500.0	\$ 500.0
Accrued interest on bank borrowings .....	318.4	--
Drawn letters of credit .....	25.8	--
Accrued interest on drawn letters of credit .....	4.2	--
8.0% Notes Due 2004 .....	--	5.7
7.75% Notes Due 2002 .....	--	2.0
Other borrowings .....	--	1.2
Accrued interest .....	--	2.6
	\$ 848.4	\$ 511.5
Annualized weighted average interest rates on total debt	5.3%	6.1%

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement, or DIP facility, with a syndicate of lenders that, as amended effective April 1, 2008, provides for up to \$165 million of revolving loans and face amount of letters of credit. The DIP facility is secured by a priority lien on substantially all assets of the Debtors with the exclusion of the capital stock of non-U.S. subsidiaries, and bears interest based on the London Interbank Offered Rate (LIBOR). The term of the DIP facility ends on the earlier of April 1, 2010 or the Debtors' emergence from Chapter 11. The DIP facility permits the increase of commitments of existing lenders and/or commitments by new lenders up to an aggregate maximum of \$250 million.

As of October 31, 2008, the Debtors had no revolving loans and \$67.0 million of standby letters of credit issued and outstanding under the DIP facility. These letters of credit and other holdback provisions reduced the

aggregate unused availability for revolving loans and letters of credit, as of the April 1, 2008 effective date of the amended DIP facility, to \$96.3 million. The letters of credit were issued mainly for trade-related matters such as performance bonds, as well as certain insurance and environmental matters.